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IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR
SALT LAKE COUNTY, STATE OF UTAH

THE STATE OF UTAH,
Plaintiff,

vs.

GARY CARL FORNIA,
DOB: August 30, 1960

Defendant.

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AFFIDAVIT OF PROBABLE CAUSE

Case No _____
Judge _____

STATE OF UTAH)
) ss
COUNTY OF SALT LAKE)

I, Agent KERRY GALLEGOS, being first duly sworn upon oath,
depose and state as follows:

I am a Peace Officer and Special Agent with the Utah Attorney General's Office. I have been a certified Peace Officer for over 13 years. I have been a Special Agent for over one year. I have 16 years of formal education and over 1,500 hours of

specialized law enforcement training above the basic law enforcement academy level. This specialized training includes the Basic Investigators Academy, Auto Theft Investigation and Vehicle Identification course, and Financial Crimes Investigation training. I work in the Special Investigations Unit of the Attorney General's Office investigating white-collar and complex criminal, civil and administrative cases. I have investigated cases that have resulted in criminal charges and/or convictions for forgery, communications fraud, unlawful dealing of property by a fiduciary and pattern of unlawful activity.

The facts set forth in this affidavit are based upon the results of an investigation during which I have collected and reviewed business and personal records from witnesses and other sources. I have interviewed the following individuals: Nick Coleman; Deon Taylor; Jared Santore; Dustin Coffey; Sherrie Hall Everett; Debbie Strong; Julie Pierce; Michael Cole; Jodee Smith; Linda Bushman; Laura O'Brien; Karen Rustan; Stefanie Tugaw; Tom Edwards; Shandell Smoot; Matthew Leishman; Bryson Duncan; Landon Bonner; and others.

PARTIES

GARY C. FORNIA, at all pertinent times, resided at 1031 East Eaglewood Drive, North Salt Lake, Utah 84054. On August 21, 2000, charges were filed against Gary Fornia by the Utah Attorney

General's Office in Case No. 001914398, alleging sixteen counts of communications fraud and one count of pattern of unlawful activity, relating to Fornia's business activities involving "Contractor's Directory."

On April 26, 2002, additional charges were filed against Gary Fornia by the Utah Attorney General's Office in Case No. 021905633, alleging nineteen counts of communications fraud, forgery, and pattern of unlawful activity, relating to Fornia's business activities involving "Media 2000."

On April 26, 2002, charges were filed against Gary Fornia by the Utah Attorney General's Office in Case No. 021905634, alleging one count of securities fraud, relating to Fornia's business activities involving the "Superchannel Network".

On August 8, 2002, charges were filed against Gary Fornia by the Utah Attorney General's Office in Case No. 021910161, alleging eight counts of communications fraud, relating to Fornia's business activities involving "TheSuperchannels.com".

Fornia was convicted on these charges on November 20, 2002, and was sentenced on December 23, 2002, to the Utah State Prison. Fornia was paroled in July 2005 and is on parole until July 2008. The Special Conditions of Fornia's parole included, among others, that Fornia not be employed in a fiduciary position and not be

self-employed

JEFFREY M. JOLLEY, at all pertinent times resided in Salt Lake County. Jolley was employed by GoodNewsCorp.net as a salesman. My investigation has revealed that Jolley has an extensive criminal history commencing in 1996 for forgery, securities fraud, unlawful use of a financial transaction card, fraud and weapons violations, among others. Jolley was paroled in May 2006, and is currently on parole.

GOODNEWSCORP. Net, at all pertinent times, conducted business at 200 South 320 West, #250B, Salt Lake City, Utah.

Records of the Utah Division of Corporations and Commercial Code reveal that GoodNewsCorp.net was registered as a foreign corporation doing business in Utah on June 6, 2005. The Records show Rian Nelson as the registered agent and director of the corporation. The corporate registration expired on October 4, 2006 for failure to renew.

BACKGROUND - COMMUNICATIONS FRAUD

GoodNewsCorp.net, located in Salt Lake City, is a small corporation consisting of subsidiary companies www.ConstructionCentral.info; www.FamilyBibleAdventures.com; GoodNewsFamilyFeatures.net and www.AmericasTopRealtors.us. The company sold internet advertising in the form of profile listings on one of their company websites.

The GoodNewsCorp.net websites are purportedly listed as sponsored links on Google-associated Internet search engines. Customers can purchase a space on one of the company's websites. Customers are told that the company has purchased several construction and real estate related keywords from Google. When an Internet user types any of the purchased keywords into a Google related search engine, GoodNewsCorp.net's website links would come up in the top positions of the sponsored links. The user could then click on the link and it would take them to the GoodNewsCorp.net industry-related website. The customer's information, including its logo, written information about the business, and a link to its website would be listed on one of the GoodNewsCorp.net websites. Potential customers were told that the listings were limited to a certain number per county, per category and that the customer's priority on the list would rotate, so that every 20th to 25th internet user would see its company listed as the first company on the website.

In February of 2006, three former employees of GoodNewsCorp.net, Deon Taylor, Jared Santore and Dustin Coffey, contacted the Attorney General's Office. The former employees provided the following information regarding Fornia and GoodNewsCorp.net:

- a) Fornia had listed his name as Gary Scott in an

Internet employment advertisement for the company.

Fornia introduced himself to an applicant as the "managing partner" of the company.

- b) Fornia either denied or did not disclose his criminal background. Employees learned about Fornia's criminal history through another employee, Aaron Herrera. Herrera had met Fornia in prison.
- c) Nelson, as the principal of the business, was simply a "front." With the exception of dispensing certain finances, Nelson had very little to do with the business. Fornia ran the business and was completely in charge of the day-to-day operations of the business. Nelson had little-to-no contact with the business.
- d) Payroll checks were constantly being returned for insufficient funds.
- e) GoodNewsCorp.net had an account with Google. The company would pay Google to provide web link services. Google was constantly shutting off the web links because the company was behind on payments. Whenever the Google account was brought current, the links would be turned back on.
- f) The company bank account always seemed empty. Fornia claimed that the reason the bank account was always

empty was because Google kept debiting the account.

- g) The company's cash flow problem was evidenced by the many telephone calls and requests for payment received at the office.
- h) Fornia negotiated most of the sales contracts between the company and its customers. The sales contracts were standard forms that could be completed in Microsoft Word with the financial figures that Fornia had negotiated. Fornia had contact with customers and negotiated prices on a daily basis. Fornia would also go out and retrieve checks from customers.
- i) Employees often heard Fornia tell customers during contract negotiations that his name was Gary Scott or Jerry Scott.
- j) Fornia never disclosed that the products being purchased by the customer (i.e. keyword links) might be inoperative from time to time because the business was making timely payments to Google.
- k) Fornia did not disclose to customers his real name or his past criminal conduct in similar advertising schemes.
- l) An outsourced Web Programmer told one of the employees that Fornia underbids contracts. The programmer told

the employee that he had warned Fornia in the past about checking his "margins." The programmer also told the employee that Fornia simply "puts the customer off" when he knows he made a mistake on bidding a website.

- m) During a disagreement, Fornia told an employee the following:

"This is the bottom line. This is my business! This is my money, my mom funds it, I'm in charge of it, I run it, I'm the one in charge, this is my business! It's in Rian's name, but it's my business and Rian knows that!"

- n) Employees recalled several customers who paid for listings or websites and then had a difficult time receiving what they had paid for. Customers were constantly calling to complain about problems in receiving the services that they had paid for.
- o) Fornia was very inconsistent in telling the customers the number of hits that the company-purchased keywords received. Fornia quoted random and inconsistent numbers to customers while soliciting sales.

COUNT 1 COMMUNICATIONS FRAUD

In September 2006, the Utah Attorney General's Office received a complaint from **Sherrie Everett** regarding

GoodNewsCorp.Net's company, www.UtahsTopRealtors.us. Everett manages a website for her father's real estate business, Ray Hall Realty.

Gary Fornia, representing a company called Americas Top Realtors, contacted Ray Hall to sell him a marketing program. Fornia stated that he was calling all the realtors in Cedar City to explain the marketing program. Hall transferred the call to Everett. Everett researched the program and spoke with Fornia on the telephone about the program on several occasions.

Fornia sold Ray Hall Realty a listing for \$600 per year for a \$50 per month listing. Everett stated that the program cost included a listing on Fornia's company's website, www.AmericasTopRealtors.us. When a web-surfer entered certain keywords, such as "Cedar City real estate," or "Cedar City homes," into a Google-supported search engine, Fornia's company website would appear "maintained in top position above the Google search results." Fornia told Everett that there would only be 25 people represented out of the Cedar City market; Everett considered this exclusivity to be one of the selling points of Fornia's company's program.

Hall paid for the advertisement listing with a credit card. He gave the credit card number to Fornia and the \$600 payment was processed through the credit card.

Fornia later contacted Everett and told her that he wanted her company to take the top banner position on the website. Fornia proposed that Everett provide him with \$1,000 to hold the top banner position. Everett told him that her company wasn't yet ready to discuss the proposal with Fornia.

Fornia again contacted Everett and told her that he had attempted to run her company's credit card through to pay the \$1,000 deposit on the top banner, but the transaction had been declined. Everett informed Fornia that the credit card was a low-balance credit card that her father kept specifically for paying expenses such as advertising. Everett told Fornia that they had not yet decided whether they were going to purchase the top-banner. If her company did decide to purchase the top-banner, then Hall would issue Fornia a check to pay for the advertising.

Fornia asked Everett to provide him with a check for \$1,000 as a gesture to show they were considering purchasing the top-banner position. Fornia assured Everett that the check would not be processed, but that he would simply put the check "in the drawer" and would let his supervisors know. This statement seemed strange to Everett since Fornia had never mentioned supervisors before and she didn't believe that Fornia had any supervisors.

Hall sent Fornia check #2368, in the amount of \$1,000, payable to "Good News Corp," dated July 07, 2006, drawn upon a

Wells Fargo bank account. The memo portion of the check reads, "Deposit on Google Site." Everett stated that the check was sent based upon Fornia's assurance that the check was "just to put in the file," and was "just to show his supervisors" that he had someone interested in purchasing the top-banner position.

The check was processed on July 25, 2006 through US Bank account #153151305791. This account is the operating account for GoodNewsCorp.net as disclosed by Rian Nelson.

Hall later contacted Everett and informed her that the check had been sent through. Everett left telephone messages for Fornia asking him to call her back to discuss the check. Fornia eventually telephoned Everett and she told him that he hadn't done what he had promised to do with the check. Fornia told Everett, "Well, what did you think I'd do? Did you think I'd just sit there and hold it?"

Everett reminded him that he had promised to hold the check until her company had made a decision regarding the top-banner position. Fornia told Everett that his supervisors wouldn't let him "just sit there and hold" the check. He told her that he had to put the check through because the top-banner was a "hot banner" and that her company needed to pay for it. Everett told Fornia that her company and his hadn't yet reached an agreement on purchasing the top-banner position and that the check was

issued simply to express her company's interest in possibly purchasing the top-banner position when it became available.

Everett told Fornia that they wanted the money refunded. Fornia told her that he couldn't refund the money until after the upcoming holiday weekend because everyone was out of town for the holiday weekend.

Fornia again contacted Everett and Hall and told them that, after speaking with his supervisors, he was willing to give them an extra two months of the top-banner position for free. He explained that his offer had a value of \$1,200. Fornia expressed his belief that his proposal should more than make up for the inconvenience of having Hall's check cashed early. Everett asked Fornia to send the proposal to her in writing.

Fornia emailed the "two-additional-month" proposal to Everett. Everett responded to the email by telling Fornia that they were not interested in his offer and demanded a full refund of the \$1,000.

Everett has not heard from Fornia since. She tried to contact him several times, but he did not return phone calls or respond to emails.

Everett performed research on Fornia and discovered that the Michigan Better Business Bureau's website containing information on Fornia's engaging in fraudulent activity in the past. Knowing

about Fornia's criminal background would have influenced Everett's decision to enter into a business agreement with his company.

Ray Hall Realty eventually received a refund of \$1,000 from Rian Nelson after Fornia had returned to prison on a parole violation.

**COUNT 2
COMMUNICATIONS FRAUD**

On April 7, 2006, **Debbie Strong** of RE/MAX Mountain Properties spoke on the telephone with Fornia. Fornia told Strong that he was a representative of GoodNewsCorp.net and described his company's Internet advertising program that used Google AdWords to provide top positioning in the search results of Google search engines. Fornia sent GoodNewsCorp.net Sales Representative Susan Camden to meet with Strong. Strong entered into an Advertising Agreement with GoodNewsCorp.net. The agreement was for a listing in the company's "Top Realtors Program." The cost of the service was \$500. Based upon the Advertising Agreement and the representations made by Fornia, Strong believed she was purchasing the following:

Google AdWords Advertising: Listings on America's Top Realtors program, which is linked through Google AdWords using keywords that are frequently entered by

visitors pertaining to real estate, building, construction, financial and insurance services. GoodNewsCorp.net's website, www.AmericasTopRealtors.us, will be maintained in top position above the Google search results from April 7, 2006 to April 7, 2007. The www.AmericasTopRealtors.us link will be displayed when certain keywords pertaining to real estate, homes and property for sale, and realtors are entered into a Google search engine. The link will connect to a directory page of 25 real estate agents for the Summit/Wasatch County area.

The contract contained a notice stating, "From time to time it may be necessary to update the AdWord links with additional keywords, this may result in the sponsored links not being displayed for short periods of time."

Strong gave Camden a personal check payable to "Good News Corp," check #3082, dated April 7, 2006, in the amount of \$500. Strong explained to Camden that the personal check was simply to reserve her a spot in the program. She told Camden not to cash the check and that she would send a business check on Monday April 10, 2006.

Strong's personal check was processed on April 7, 2006 through US Bank account #153151305791. This account is the

operating account for GoodNewsCorp.net as disclosed by Rian Nelson.

The advertising agreement stated that Strong had the right to cancel the contract within three business days without any penalty or obligation. The contract stated that any down payment or consideration that the client may have tendered would be refunded.

Strong telephoned Fornia and requested a refund. Fornia told her that the website already had her money and that he would try to get it back. Strong followed up with several emails to Fornia requesting a refund. Fornia responded to the first couple of emails then "disappeared." She has not received a refund. Fornia did not disclose to Strong his prior fraud-related criminal convictions or activities. Strong would not have done business with the company if he had known about Fornia's history of fraud.

**COUNT 3
COMMUNICATIONS FRAUD**

On April 26, 2006, **Julie Pierce** of Prudential Utah Real Estate received a telephone call from Fornia. Fornia told Pierce that he was a representative of GoodNewsCorp.net and described his company's Internet advertising program that used Google AdWords to provide top positioning in the search results of

Google search engines. He told her that the program was only available to 17 realtors in her county.

Pierce signed an Advertising Agreement to purchase a listing on "America's Top Realtors" program. The cost of this service was \$500. Pierce also agreed to purchase the top banner position on the Americas Top Realtors website for an additional \$2,500. Pierce signed a contract that Fornia had faxed to her. The contract noted the \$500 advertising program, but did not mention the \$2,500 top banner position.

Fornia told Mrs. Pierce that he would send a driver to pick up a check for payment and asked her to make the check payable to "GoodNewsCorp or Gary Fornia. She made the payment with a check payable to "Good News Network," check #4256, dated April 26, 2006, in the amount of \$3,000. A driver picked up the check from Pierce.

Fornia later telephoned Pierce and was upset that she had not made the check payable as instructed. Fornia told her that he was able to cash the check anyway.

The check was processed on April 28, 2006 through US Bank account #153151305791. This account is the operating account for GoodNewsCorp.net as disclosed by Rian Nelson.

Based upon the Advertising Agreement and the representations made by Fornia, Pierce believed she was purchasing the following:

Google AdWords Advertising: Listing on America's Top Realtors program, which is linked through Google AdWords using keywords that are frequently entered by visitors pertaining to real estate, building, construction, financial and insurance services. GoodNewsCorp.net's website, www.AmericasTopRealtors.us, will be maintained in top position above the Google search results from May 1, 2006 to May 1, 2007. The www.AmericasTopRealtors.us link will be displayed when certain keywords pertaining to real estate, homes and property for sale, and realtors are entered into a Google search engine. The link will connect to a directory page of 25 Utah County real estate agents.

The contract contained a notice stating, "From time to time it may be necessary to update the AdWord links with additional keywords, this may result in the sponsored links not being displayed for short periods of time."

Pierce was promised one year placement in the top banner position on the www.AmericasTopRealtors.us website for Utah County. Pierce was told that the banner would have rotating pictures of her current listings along with her contact information.

The program's main selling points for Pierce was the

exclusivity of only 25 Utah County Realtors on the site and the Internet exposure the program allegedly provided by the site being positioned in the top spot on Google search results for "Utah Real Estate."

Many of the Realtors in Pierce's office signed up for Fornia's program and she discovered that the website was not being restricted to only 25 Realtors as Fornia had claimed. She was also having difficulty getting the www.AmericasTopRealtors.us website to come up using the keywords that Fornia had presented. The website was never up consistently. Also, the top banner position that Pierce had purchased for \$2,500 only displayed a couple of her listings and not, as she had been led to believe, all of her listings. The top banner position was also inconsistent; it was on and off for a while, and then just quit.

Pierce telephoned Fornia about the problems and frustrations she was having with the services she'd purchased. Fornia refused to discuss his promises of a short list of Realtors and made excuses about the website. Fornia told Pierce that she would receive additional months on her contract because of the problems with the website. Pierce was eventually promised a refund. She never received the refund and Fornia stopped answering her calls. She was unable to reach anyone else at the company.

Fornia did not disclose to Pierce his prior fraud-related

criminal convictions or activities. If he had disclosed his criminal history, Pierce wouldn't have done business with him under any circumstances.

COUNT 4
COMMUNICATIONS FRAUD

On May 14, 2006, **Michael Cole** of ERA Webber signed an Advertisement Agreement with GoodNewsCorp.net. Fornia met with Cole as the representative of GoodNewsCorp.net. The agreement was for the "Top Realtors Program." The cost of these services was \$450. Payment was made to "Good News Corp or Gary Fornia" via check #1444, dated May 14, 2006, in the amount of \$450. The check was endorsed with a signature similar to that appearing on Gary Fornia's Utah Drivers License and was cashed at 9:01 AM on May 15, 2006.

Based upon the Advertising Agreement and the representations made by Fornia, Cole believed he was purchasing the following:

Google AdWords Advertising: Listing on America's Top Realtors program, which is linked through Google AdWords using keywords that are frequently entered by visitors pertaining to real estate, building, construction, financial and insurance services.

GoodNewsCorp.net's website, www.AmericasTopRealtors.us, will be maintained in top position above the Google

search results from May 15, 2006 to May 15, 2007. The www.AmericasTopRealtors.us link will be displayed when certain keywords pertaining to real estate, homes and property for sale, and realtors are entered into a Google search engine. The link will connect to a directory page of real estate agents for Weber and Davis Counties.

The contract contained a notice stating, "From time to time it may be necessary to update the AdWord links with additional keywords, this may result in the sponsored links not being displayed for short periods of time."

Cole also understood that he had the ability to modify the comments on his link at his discretion. The agreement also stated that Cole had the right to cancel the contract within three business days without any penalty or obligation. The contract stated that any down payment or consideration that the Cole may have tendered would be refunded.

On May 15, 2006, Cole decided to cancel the contract. He attempted to telephone Fornia, but there was no answer at any of his telephone numbers. Cole researched Fornia on the Internet and discovered a Michigan Better Business Bureau website that stated charges of communications fraud and racketeering had been filed against Fornia in 2000 for his actions with another company he

had owned, Contractor's Publishing.

Cole has received no real estate leads, no replies to calls made to Fornia and has had no ability to modify the comments on his link on the website. The site has not been accessible on many occasions. Also, the website is frequently not found on searches using the key words that Fornia stated would pull up the website.

COUNT 5
COMMUNICATIONS FRAUD

In May 2006, Fornia and Jeffrey Jolley contacted **The Bushman Group** of Prudential Utah Real Estate to offer Internet advertising services. Fornia and Jolley were referred to Linda Bushman. Bushman handles all of the webpage decisions for The Bushman Group. Fornia and Jolley were very persistent and Bushman agreed to meet with Jolley.

On July 26, 2006, The Bushman Group entered into an Advertisement Agreement with GoodNewsCorp.net. Ken Bushman signed the agreement for The Bushman Group and Jolley signed the agreement as the representative of GoodNewsCorp.net. The agreement was for "Search Engine Positioning & Metatags," "Website Creation, Design," and "Domain Name Registration and Linking." The cost of these services was \$2,500. The agreement shows a receipt of payment in the amount of \$2,500 on May 26, 2006, check #1957. The contract also contains the following hand-

written notation: "If business does not result in the listing and/or sale of two properties within 90 days, GoodNews will refund the prorated portion of the contract price." The signature of Jeffrey Jolley follows the notation.

Based upon the Advertising Agreement and the representations made by Jolley, Bushman believed she was purchasing the following:

Google AdWords Advertising: Listing on America's Top Realtors program, which is linked through Google AdWords using keywords that are frequently entered by visitors pertaining to real estate, building, construction, financial and insurance services. GoodNewsCorp.net's website, www.AmericasTopRealtors.us, will be maintained in top position above the Google search results from May 25, 2006 to May 25, 2007. The link will be displayed when certain keywords pertaining to real estate, homes and property for sale and realtors are entered into a Google search engine. The link will connect to a directory page of real estate agents for the Utah County area.

The contract contained a notice stating, "From time to time it may be necessary to update the AdWord links with additional keywords, this may result in the sponsored links not being

displayed for short periods of time.”

Bushman received an email from Fornia stating that he had started the initial listing and design process of their website. Bushman checked the www.AmericasTopRealtors.us website almost daily and The Bushman Group listing was never on the website.

Linda Bushman tried repeatedly to telephone Jolley and Fornia, but neither would answer. Bushman was finally able to speak with Jolley and Jolley blamed Fornia for the problems. When Bushman was finally able to reach Fornia, Fornia told her that he could not sign company checks and that the owner of the company was out of the country. Fornia told Bushman to set up a PayPal account and he would transfer a refund into that account. Bushman made arrangements for the PayPal account, but no refund was ever received.

The Bushman Group has received nothing for the \$2,500 it paid to GoodNewsCorp.net. Fornia promised to refund the \$2,500, but no refund has been made.

Neither Fornia nor Jolley disclosed their prior fraud-related criminal convictions to Bushman; she would have not done business with the company had she known about Fornia's and Jolley's fraud history.

COUNT 6
COMMUNICATIONS FRAUD

Laura O'Brien of RE/MAX West received a telephone call from Fornia on June 7, 2006. Fornia told her that he was a representative of GoodNewsCorp.net and explained his company's "America's Top Realtors" advertising program. He had O'Brien view the www.AmericasTopRealtors.us website and told her he could place her information on the website within 24 hours.

Fornia explained that only a limited number of realtors from her area would be listed on the website. He also explained that the website would be listed as one of the top sponsored links when someone entered keywords relating to Cache County real estate into a Google powered search engine. Fornia told O'Brien that the website was interactive and that she could make changes to her profile at her discretion.

O'Brien purchased a one-year listing on www.AmericasTopRealtors.us for \$600. She paid for the services via a PayPal transaction from her USU Credit Union account to GoodNewsCorp on June 7, 2006. O'Brien never received a contract documenting the agreement.

The main selling points of the program for Ms. O'Brien were the internet exposure offered through the keywords advertising program and the ability to edit and interact with her profile on

the website.

O'Brien was very dissatisfied with her profile when it appeared on Fornia's company website. The profile only displayed O'Brien's name and a house that she currently had listed for sale. No contact information was listed for O'Brien and she had no way of editing or interacting with her profile.

O'Brien attempted to contact Fornia via telephone and email, but she never heard from him again. O'Brien never signed or received a contract from Fornia or GoodNewsCorp.net for the services she'd purchased.

Fornia did not disclose his prior fraud-related criminal convictions to O'Brien; she would not have done business with the company had she known about Fornia's fraud history.

COUNT 7 COMMUNICATIONS FRAUD

On July 7, 2006, Fornia telephoned **Stefanie Tugaw** of Coldwell Banker Tugaw Realtors. Fornia told Tugaw that he was a representative of GoodNewsCorp.net and told her about his company's Internet advertising program that used Google AdWords to provide top positioning in the search results of Google search engines. Fornia told Tugaw that there were only 25 spaces for Realtors in her area and that the spaces were selling fast. He also told Tugaw that only one Realtor in the area could have the

top banner position for the area and that Tugaw's competitor was currently thinking about purchasing it.

As a representative of her company, Tugaw purchased the top banner position for her company for \$1,500; one listing for Coldwell Banker Tugaw Realtors for \$500; one listing for Ed Tugaw for \$500; and one listing for Cindy Tugaw for \$500. The total amount of these services was \$3,000. Tugaw also purchased a listing for herself for \$500, which was paid for by her investment company, Stefanie Tugaw Investments, Inc.

Based upon the Advertising Agreements and the representations made by Fornia, Tugaw believed she was purchasing the following:

Google AdWords Advertising: Four total listings (Company, Ed Tugaw, Cindy Tugaw and Stefanie Tugaw) on America's Top Realtors program, which is linked through Google AdWords using keywords that are frequently entered by visitors pertaining to real estate, building, construction, financial and insurance services. GoodNewsCorp.net's website, www.AmericasTopRealtors.us, will be maintained in top position above the Google search results from July 7 or 8, 2006 to July 7 or 8, 2007. The www.AmericasTopRealtors.us link will be displayed when

certain keywords pertaining to real estate, homes and property for sale, and realtors are entered into a Google search engine. The link will connect to a directory page of real estate agents for the Northern Utah area.

Coldwell Banker Tugaw Realtors would have the "Top Banner" position on the website with the ability to display, change, and maintain property listings that automatically rotate positions within the banner. The www.AmericasTopRealtors.us link will be maintained in one of the top three positions above the Google search results and will be displayed when certain keywords pertaining to real estate, homes and property for sale, and realtors are entered into a Google search engine. The link will connect to a directory page of 35 real estate agents for the Northern Utah area.

The contracts contained a notice stating, "From time to time it may be necessary to update the AdWord links with additional keywords, this may result in the sponsored links not being displayed for short periods of time."

Fornia sent Jolley to meet with Tugaw. Tugaw and Jolley signed Advertising Agreements and Tugaw gave Jolley the following two checks:

A Coldwell Banker Tugaw Realtors check payable to "Good News

or G Fornia," check #3510, dated July 6, 2006, in the amount of \$3,000. The check was endorsed with a signature similar to that appearing on Gary Fornia's Utah Drivers License and was cashed at Zions Bank on July 7, 2006.

A Stefanie Tugaw Investments Inc. check payable to "Good News Corp. or G. Fornia (stamped on check)," check #1122, dated July 6, 2006, in the amount of \$500. The check was endorsed with a signature similar to that appearing on Gary Fornia's Utah Drivers License and was cashed at Wells Fargo Bank on July 7, 2006 at 6:36 PM.

Within a few days Tugaw noticed that the site was not coming up on the Google search results page when the represented keywords were entered into a Google search engine. The only way to access the website was to type the company's web address into the address portion of a search engine. Tugaw did not get the services for which she paid \$3,500.

Neither Fornia nor Jolley disclosed their prior fraud-related criminal convictions or activities to Tugaw. She would not have done business with the company if she had known about Fornia's and Jolley's history of fraud.

COUNT 8
COMMUNICATIONS FRAUD

On July 8, 2006, **Tom Edwards** of Coldwell Banker Tugaw

Realtors spoke on the telephone with Fornia. Fornia told Edwards that he was a representative of GoodNewsCorp.net and told him about his company's Internet advertising program that used Google AdWords to provide top positioning in the search results of Google search engines.

Edwards entered into an agreement with GoodNewsCorp.net. The agreement was for the "Top Realtors Program." The cost of these services was \$500. Payment was made to "Good News Corp" via check #8979, dated July 8, 2006, in the amount of \$500. The agreement was actually signed by Stefanie Tugaw with the authorization and under the direction of Mr. Edwards.

Based upon the Advertising Agreement and the representations made by Fornia, Edwards believed he was purchasing the following:

Google AdWords Advertising: Listing on America's Top Realtors program, which is linked through Google AdWords using keywords that are frequently entered by visitors pertaining to real estate, building, construction, financial and insurance services.

GoodNewsCorp.net's website, www.AmericasTopRealtors.us, will be maintained in top position above the Google search results from July 8, 2006 to July 8, 2007. The www.AmericasTopRealtors.us link will be displayed when certain keywords pertaining to real estate, homes and

property for sale, and realtors are entered into a Google search engine. The link will connect to a directory page of real estate agents for the Northern Utah area.

The contracts contained a notice stating, "From time to time it may be necessary to update the AdWord links with additional keywords, this may result in the sponsored links not being displayed for short periods of time."

The Advertising Agreement stated that Edwards had the right to cancel the contract within three business days without any penalty or obligation. The contract stated that any down payment or consideration that the client may have tendered would be refunded.

Edwards decided to cancel the contract. He telephoned Fornia and told him that he had changed his mind and wanted his \$500 refunded. Fornia told Edwards that there was no problem and that he would receive a refund.

Edwards didn't receive a refund and didn't hear from Fornia for a while, so he sent him an email. Fornia replied that the check would be issued from their accountants on August 15, 2006 and would then be mailed to Edwards. Edwards never received his refund and his picture and information were never placed on Fornia's company website.

Fornia did not disclose his prior fraud-related criminal convictions to Edwards; Edwards would not have done business with the company had he known about Fornia's fraud history.

COUNT 9
COMMUNICATIONS FRAUD

Shandell Smoot met Fornia at a golf course near his home. Fornia proposed that Smoot, a Real Estate Broker, list Fornia's home for sale. Fornia also spoke to Smoot about an Internet advertising program that his company, GoodNewsCorp.net, was offering.

On August 11, 2006, Smoot of Smoot Real Estate signed an Advertisement Agreement with GoodNewsCorp.net. Fornia signed the agreement as the representative of GoodNewsCorp.net, and Smoot signed the agreement as the representative of Smoot Real Estate. The agreement was for the company's Google AdWords advertising service and a one-year placement in the "Top Banner Position" of the website www.AmericasTopRealtors.us. The cost of these services was \$3,995. Payment was made to "GoodNewsCorp.net or Gary Fornia" via check #7720 in the amount of \$3,995.

Based upon the Advertising Agreement and the representations made by Fornia, Smoot believed he was purchasing the following:

Google AdWords Advertising: Ad Banner on America's Top Realtors program, which is linked through Google

AdWords using keywords that are frequently entered by visitors pertaining to real estate, building, construction, financial and insurance services. GoodNewsCorp.net's website, www.AmericasTopRealtors.us, will be maintained in the top four positions above the Google search results from August 11, 2006 to August 11, 2007. The link will be displayed when certain keywords pertaining to real estate, homes and property for sale and realtors, such as "Bountiful Homes for Sale," "South Davis County Homes for Sale," "Centerville Homes for Sale," etc. are entered into a Google search engine. The link will connect to a directory page of real estate agents for the Davis County area.

Smoot Real Estate would have the "Top Banner" position on the website with the ability to display, change, and maintain three property listings that automatically rotate positions within the banner.

The contracts contained a notice stating, "From time to time it may be necessary to update the AdWord links with additional keywords, this may result in the sponsored links not being displayed for short periods of time."

The main selling point of the program for Smoot was the

Internet exposure the program allegedly provided through the Google AdWords advertising.

The AdWords program worked for approximately one month and then stopped. Smoot was never given directions for or access to changing the three property listings in the "Top Banner" position as promised. Smoot also discovered that Fornia was only renting the house that Smoot was supposed to sell for Fornia.

Smoot attempted to contact Fornia several times to discuss his failure to deliver the services that he had purchased. Smoot discovered that Fornia was in prison and that he was a possible victim of Fornia's fraudulent activity.

Fornia did not disclose his prior fraud-related criminal convictions or activities to Smoot. Smoot would not have done business with the company had he known about Fornia's history of fraud.

**COUNT 10
COMMUNICATIONS FRAUD**

On August 8, 2006, **Matthew Leishman** of Shurtleff and Associates spoke on the telephone with Fornia. Fornia told Leishman that he was a representative of GoodNewsCorp.net and told him about his company's Internet advertising program that used Google AdWords to provide top positioning in the search results of Google search engines.

Leishman entered into an agreement with GoodNewsCorp.net. The agreement was for two listings in the company's "Top Realtors Program." The cost of these services was \$900. Payment was made to "Good News Corp" via check #0002, dated August 8, 2006, in the amount of \$900. Jolley met with Leishman to sign the agreement and to retrieve payment. Leishman gave Jolley a CD with his photo and the information to be placed on his two listings.

Based upon the Advertising Agreement and the representations made by Fornia, Leishman believed he was purchasing the following:

Google AdWords Advertising: Two listings on America's Top Realtors program, which is linked through Google AdWords using keywords that are frequently entered by visitors pertaining to real estate, building, construction, financial and insurance services.

GoodNewsCorp.net's website, www.AmericasTopRealtors.us, will be maintained in top positions above the Google search results from August 8, 2006 to August 8, 2007. The www.AmericasTopRealtors.us link will be displayed when certain keywords pertaining to real estate, homes and property for sale, and realtors are entered into a Google search engine. The link will connect to a directory page of only 25 real estate agents for the

Cache County area.

The contract contained a notice stating, "From time to time it may be necessary to update the AdWord links with additional keywords, this may result in the sponsored links not being displayed for short periods of time."

The program's main selling point for Leishman was that the www.AmericasTopRealtors.us website would be displayed at the top of Google's search results page for anyone searching for homes and real estate in Leishman's county. Another selling point of the program was the exclusivity it offered due to the promise that there would only be 25 listings available on the website for each county.

Leishman's information was incorrect when his listings appeared on the website. Also, another real estate agent's website appeared when a person mouse-clicked on Leishman's listed link.

Leishman tried several time to get GoodNewsCorp.Net to fix the problems, but the problems were never corrected. Leishman spoke with Jolley and demanded a refund. Jolley initially tried to talk Leishman out of the refund, but eventually agreed to return all of his money. Jolley told him that it would take five days to cut a check and mail it to him.

Leishman did not receive the refund of his money. He called

Jolley numerous times and was told repeatedly that the money would be sent. Leishman never received the refund.

Neither Fornia nor Jolley disclosed to Leishman their prior fraud-related criminal convictions or activities; Leishman would not have done business with the company if he had known about Jolley's and Fornia's fraud history.

COUNT 11
PATTERN OF UNLAWFUL ACTIVITY

Based on the information, there is probable cause to believe the defendant **Gary Fornia** devised a scheme and artifice to defraud individuals. As a result, Fornia solicited and received monies from over 30 victims (See Attachment "A"), which action is in violation of UCA §76-10-1801.

From on or about July 2005, the defendant engaged in conduct which constituted the commission of at least three episodes of unlawful activity as defined in Utah Code Ann. § 76-10-1601 (1995). The defendant: (1) received proceeds derived, directly or indirectly, from a pattern of unlawful activity as more fully defined in Counts 1 through 10 above, in which he participated as a principal, or he used or invested, directly or indirectly, any part of that income, or the proceeds of the income, or the proceeds derived from the investment or use of those proceeds, in the acquisition of any interest in, or establishment or operation

of, any enterprise; (2) through a pattern of unlawful activity acquired or maintained, directly or indirectly, any interest in or control of any enterprise; or (3) was employed by, or associated with any enterprise and conducted or participated, whether directly or indirectly, in the conduct of that enterprise's affairs through a pattern of unlawful activity.

The unlawful activity included three or more violations of communications fraud. This is a violation of Utah Code Ann. §76-10-1601 and § 76-10-1603(5) (1995), et seq., a second degree felony.

SUMMARY

There is probable cause to believe that the defendant GARY FORNIA, committed the offense (s) of:

COMMUNICATIONS FRAUD
a second degree felony, 10 counts

PATTERN OF UNLAWFUL ACTIVITY
a second degree felony, 1 count

DATED this _____ day of _____, 2007

KERRY GALLEGOS, Affiant

SUBSCRIBED AND SWORN to before me
On this ____ day of _____,
2007.

JUDGE, Third Judicial District Court